

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0739-01  
Bill No.: HB 146  
Subject: Requires health insurers to offer contraceptive coverage to enrollees.  
Type: Original  
Date: January 25, 2001

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**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Insurance Dedicated	\$10,000	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

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## **FISCAL ANALYSIS**

### ASSUMPTION

Officials from the **Department of Social Services** and the **Department of Conservation** assume the proposal would not fiscally impact their agencies.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** stated that HCP contracts provide coverage for oral contraceptive drugs. The health maintenance plans, the point of service plans, and First Health PPO and Co-pay plans will provide oral contraceptives on the formulary at no charge. The HCP officials state the addition of other contraceptive will add some costs to contracted health plans, but the HCP feels this cost will be modest and not have a fiscal impact on the HCP.

Officials from the **Department of Health (DOH)** state the DOH Family Planning program currently provides contraceptive services for women who do not have insurance that covers “well woman” services. As a result, the DOH officials state, there is no state fiscal impact either in additional cost or savings to the state.

Officials from the **Department of Insurance (INS)** state health insurers and HMOs will be required to amend policy forms in order to comply with this proposal. INS officials anticipate that current appropriations and staff will be able to absorb the work for implementation of this single proposal. However, if additional proposals are approved during the legislative session, the department would need to request additional staff to handle the increase in workload. INS officials estimates 171 health insurers and 29 HMOs would be required to file amendments to their policy form to comply with legislation resulting in revenue of \$10,000. If multiple proposals pass during the legislative session which require policy form amendments to be filed, the insurers would probably file one amendment for all required mandates. This would result in increased revenue of \$10,000 for all proposals.

Officials from the **Department of Transportation (DHT)** state this proposal would have no fiscal impact on DHT. Currently, the Highway and Patrol Medical Plan does not have a formulary. Therefore, DHT officials assume this proposal would require the medical plan to provide contraceptives to members at no charge. DHT officials also assume that contraceptives means only those that the medical plan currently covers. DHT officials state the total cost of contraceptive co-pays will be approximately \$112,086 for FY 01. Increasing this figure by an 8% inflation rate to reflect an increase in prescription costs, the impact to the medical plan will be \$121,053 for FY 02; \$130,737 for FY 03; and \$141,196 for FY 04. DHT states that if the state share would be increased to cover this cost then the fiscal impact would be to DHT; therefore, DHT assumes no fiscal impact.

ASSUMPTION (continued)

Officials from the **Attorney General's Office (AGO)** and the **Department of Public Safety - Missouri Highway Patrol (MHP)** did not respond to our fiscal impact request. However, in response to a similar proposal last session, officials from AGO and MHP assumed the proposal would not have a fiscal impact on their agencies.

**This proposal would result in an increase in Total State Revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2002 (6 Mo.)	FY 2003	FY 2004
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**INSURANCE DEDICATED FUND**

<u>Income - Department of Insurance</u>	<u>\$10,000</u>	<u>\$0</u>	<u>\$0</u>
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<b>ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND</b>	<b><u>\$10,000</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2002 (6 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses would be expected to be fiscally impacted to the extent that they would incur increased health insurance costs due to the requirements of this proposal.

DESCRIPTION

This proposal would require a health insurance plan to offer contraceptive coverage at either no charge or at the same deductible or co-payment as other health care services. The requirement would take effect January 1, 2002.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Consolidated Health Care Plan  
Department of Health  
Department of Insurance  
Department of Social Services  
Department of Transportation  
Department of Conservation

**NOT RESPONDING: Attorney General's Office and Department of Public Safety -  
Missouri Highway Patrol**

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is fluid and cursive, with the first name "Jeanne" written in a larger, more prominent script than the last name "Jarrett".

Jeanne Jarrett, CPA  
Director

January 25, 2001